

**MINISTRY OF JUSTICE AND ATTORNEY GENERAL**  
**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2008**



## Provincial Auditor Saskatchewan

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### AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2008 and the statement of changes in net assets for the year then ended. The Provincial Mediation Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2008 and the changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan  
July 11, 2008

Fred Wendel, CMA, CA  
Provincial Auditor

**Statement 1**

**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**  
**STATEMENT OF NET ASSETS**  
**As at March 31**

	2008	2007
<b>ASSETS</b>		
Due from General Revenue Fund (Note 3)	<u>\$ 204,632</u>	<u>\$ 257,547</u>
<b>NET ASSETS</b>		
Trust account balances (Statement 2)		
Orderly payment of debts program	\$ 169,805	\$ 197,664
Consumer proposals	12,242	22,640
Mediation of debts program	20,645	35,603
Tax enforcement proceedings	<u>1,940</u>	<u>1,640</u>
Net assets (Note 2b)	<u>\$ 204,632</u>	<u>\$ 257,547</u>

(See accompanying notes to the financial statements)

**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended March 31**

	<u>2008</u>	<u>2007</u>
<b>ORDERLY PAYMENT OF DEBTS PROGRAM</b>		
Receipts from clients	\$ 1,384,536	\$ 1,411,119
Payments to creditors	(1,203,219)	(1,209,095)
Application and administration fees	<u>(209,176)</u>	<u>(214,104)</u>
Decrease in net assets	(27,859)	(12,080)
Net assets, beginning of year	197,664	209,744
Net assets, end of year (Statement 1)	<u>\$ 169,805</u>	<u>\$ 197,664</u>
<b>CONSUMER PROPOSALS</b>		
Receipts from clients	\$ 53,565	\$ 76,852
Interest from General Revenue Fund (Note 3)	877	894
Payments to creditors	(52,055)	(61,437)
Application and administration fees	<u>(12,785)</u>	<u>(15,810)</u>
(Decrease) increase in net assets	(10,398)	499
Net assets, beginning of year	22,640	22,141
Net assets, end of year (Statement 1)	<u>\$ 12,242</u>	<u>\$ 22,640</u>
<b>MEDIATION OF DEBTS PROGRAM</b>		
Receipts from clients	\$ 190,520	\$ 303,272
Payments to creditors	(188,486)	(292,363)
Application and administration fees	<u>(16,992)</u>	<u>(26,866)</u>
Decrease in net assets	(14,958)	(15,957)
Net assets, beginning of year	35,603	51,560
Net assets, end of year (Statement 1)	<u>\$ 20,645</u>	<u>\$ 35,603</u>
<b>TAX ENFORCEMENT PROCEEDINGS</b>		
Receipts from property owners	\$ 18,900	\$ 17,400
Payments to municipalities	(20)	(120)
Application and administration fees	<u>(18,580)</u>	<u>(17,800)</u>
Increase (decrease) in net assets	300	(520)
Net assets, beginning of year	1,640	2,160
Net assets, end of year (Statement 1)	<u>\$ 1,940</u>	<u>\$ 1,640</u>

(See accompanying notes to the financial statements)

# THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

## NOTES TO FINANCIAL STATEMENTS

March 31, 2008

### 1. Legislative Authority

The Provincial Mediation Board Trust Accounts (Trust Accounts) were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through the Orderly Payment of Debts Regulations, Consumer Proposal Program, *The Provincial Mediation Board Act*, or *The Tax Enforcement Act*.

### 2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

#### a) Receipt and payment of trusts

Monies are held in trust on behalf of clients and paid out to creditors through mutually agreed upon payment plans.

#### b) Net assets

Net assets are the total of the various trust monies held on behalf of persons who have entered into negotiations for the settlement of debts, either through the Orderly Payment of Debts Regulations, Consumer Proposal Program, *The Provincial Mediation Board Act*, or *The Tax Enforcement Act*.

#### c) Applications and administration fees

Under Parts III and X of *The Bankruptcy and Insolvency Act*, the Consumer Proposals and the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are deducted and paid to the Ministry of Justice and Attorney General.

### 3. Related Party Transactions

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Ministry of Justice and Attorney General from monies appropriated by the Legislature for such purposes.

The Provincial Mediation Board's bank accounts, described as due from the General Revenue Fund, are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The bank account set up to handle Consumer Proposals earns interest that the General Revenue Fund calculates and pays monthly to the Trust using the Government's thirty-day borrowing rate and the Trust's average daily bank account balance. The Government's average thirty-day borrowing rate for 2007-08 is 4.08% (2006-07 – 4.15%). Interest is allocated to clients based on their balances.

No interest is paid to the other Trusts used for the remaining programs.

#### **4. Financial Instruments**

Financial instruments consist of amounts due from General Revenue Fund. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The carrying value of these instruments approximates fair value due to their immediate or short-term maturity.



